



County of Maui - Department of Finance  
Real Property Tax Board of Review  
Service Center, Suite A16  
70 E. Kaahumanu Avenue, Kahului, HI 96732  
(808) 270-7297 Fax (808) 270-7884

## REAL PROPERTY ASSESSMENT APPEAL

### THE PROPERTY TAX SYSTEM

Property taxes are used to finance a wide variety of county government activities. The amount of tax money each property owner is required to pay is determined by two factors - the **assessed value** of his property and the **tax rate**.

The Assessed Value of the property is determined by the Real Property Tax Division of the Department of Finance and the Tax Rate is set by the County Council.

### REAL PROPERTY TAX DIVISION (RPTD)

The RPTD is assigned the duty of assessing all taxable property. This primarily involves estimating a property's value and listing that value on the assessment roll. By law, properties are valued by the cost approach and/or the market approach to be assessed at 100% of its estimated market value.

Appraising is not an exact science, but is an opinion based on consideration of relevant facts. Differences of opinion can and do arise. To resolve such differences, an assessment appeals procedure exists.

### THE APPEAL

On or before March 15, preceding each tax year, the Assessor will mail a "Notice and Receipt of Property Assessment" for each taxable property. If you do not agree with the value of the property or if you were not allowed an exemption to which you are entitled, you may either discuss the matter with the Assessor's Appraiser **or** file an appeal with the **Board of Taxation Review** or with the **Tax Appeal Court** by April 9, of the same year, to change the assessment.

An appeal to the Board of review requires filing Form DFT-595, "Taxpayer's Notice of Real Property Tax Appeal," with the Tax Assessor in the district in which the property is located. In filing the appeal, you must identify the assessment you are appealing and state your grounds for objecting to it. You must also **enter your opinion of the correct assessment** in the appropriate space. A deposit of \$15.00 for each appeal is required.

### GROUND FOR APPEAL

When you file an appeal, you must indicate the basis for your appeal. The law specifies the following four grounds for appeal:

1. The assessed value of the property exceeds by more than twenty percent of the ratio of assessment to market value used by the Director of Finance as the tax base. (Present tax base is 100%.)
2. The assessment methods used show a lack of uniformity or inequality brought about by illegality of the methods used or error in application of the methods to the property involved.
3. You have been denied an exemption to which you were entitled.
4. The assessment methods used were illegal or unconstitutional.

### **THE BOARD OF TAXATION REVIEW**

There is a Board in each of the four taxation districts. Each Board is composed of five citizens who act as impartial referees between you and the Assessor. Their duty is to listen to all evidence presented by you and the Assessor, and decide what assessment is correct for your property.

### **THE HEARING**

You will be notified by mail 10 days in advance of the date, time and place of the hearing. The appellant may provide written testimony or send an authorized representative to the scheduled hearing. (Any person representing you must have a letter of authorization.)

Be at the hearing room at the appointed time and inform the Clerk of your presence.

When your case is called, go to the table and be seated. Relax and don't be nervous! The Board understands that a hearing is not an everyday procedure for most people. Normally, you will be asked to present your case first. At that time, simply state those facts which substantiate your opinion of the correct assessment.

The hearing is not conducted under technical rules of evidence. You are free to submit any information to the Board as long as it is relevant and competent - that is, of the type people normally rely upon.

### **EVIDENCE OF VALUE**

By law, the Board can only act on the basis of evidence presented at the hearing. In order for you to obtain an adjustment in the assessed value, it is essential that you prove that the assessment of your property exceeds 120% of market value. Normally, value is measured using data from the market place such as sales of similar properties and/or construction cost estimates of the replacement cost of the buildings, less depreciates, if any. (NOTE: Property is assessed on its fee simple value, therefore, the value of the lease-fee (lessor's interest) must be added to sales prices of leasehold properties.) Sales transactions between relatives, close friends, and persons with close business

relationships are usually not considered as “proper evidence.” SALES OCCURRING IN THE PREVIOUS FISCAL YEAR (7/1-6/30) ARE USED TO DETERMINE VALUES AS OF JANUARY 1.

### **INADMISSIBLE EVIDENCE**

Some facts are related to taxes but are unrelated to property value. To avoid obscuring the central issue of **assessed value**, some data is inadmissible. Inadmissible evidence includes:

1. Assessed values of other property.  
(May be used if you can show illegal methods)
2. The amount of the tax bill.  
(While taxes are computed on the basis of value, they are not evidence of value.)
3. Prior year's assessments.  
(Each year's assessment is separately considered on its own merits)
4. Increases in assessed value between years.  
(The correctness of the current assessment is the question before the Board - not prior years.)

### **THE BOARD'S DECISION**

The Board's primary objective is to decide what the correct assessment for your property is. They have the authority to change your assessment based on the evidence presented in the hearing. They do not have the authority to reduce assessments simply because a person cannot afford to pay the taxes. Neither can the Board change the tax rate.

The Board may announce its decision at the conclusion of the hearing, or it may take the matter under consideration. In either case, you will be notified in writing of the decision of the Board by mail addressed to you or your agent at the address given in the appeal.

If you disagree with the decision of the Board and wish to appeal to the Tax Appeal Court, you must file the appeal within 30 days after the filing date of the decision of the Board of Review.

### **TAX APPEAL COURT**

There is only one Tax Appeal Court in the State and its office is located in Honolulu. It is not necessary to appeal to the Board before going to court; you may appeal directly to the Tax Appeal Court. In such cases, the April 9 deadline applies and a copy of your appeal to the court must be filed with the Tax Assessor.

The cost for filing an appeal with the Tax Appeal Court is 5% of the amount of taxes in dispute but not more than \$100 or less than \$5 for each case. If you disagree with the tax court, you may within 30 days, file an appeal with the State Supreme Court.

### **SMALL CLAIMS PROCEDURE**

Appeals may be made under the small claims procedure of the Tax Appeal Court if the amount of tax in dispute is less than \$1,000. Under this procedure, an appeal, including an appeal of a decision of the Board of Review, is initiated by filing a notice of appeal with the clerk of the Tax Appeal Court and paying a \$25 filing fee. It should be noted that, unlike cases on appeal to the Tax Appeal Court which may be further appealed to the Supreme Court, you waive your right of appeal to the Supreme Court if you elect to appeal through the small claims procedure.

### **ADDITIONAL INFORMATION**

If you need additional information or do not understand some aspect of the appeals process, you may call the respective office of the Real Property Tax Assessor.

**MAUI**            Service Center, Suite A16  
                      70 E. Kaahumanu Avenue  
                      Kahului, HI 96732  
                      Phone: 270-7297

**MOLOKAI**     Box 526  
                      Kaunakakai, HI 96748  
                      Phone: 553-3221

### **TAX APPEAL COURT**

777 Punchbowl Street  
Honolulu, HI 96813  
Phone: 539-4777

### **TAX PAYMENT**

Even though you have an appeal pending, you must pay all taxes by the due dates or you will be charged a penalty. If you win your case, any overpayment in tax will be refunded to you.